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LAW OFFICES

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July 1, 2009

Ms. Anns K. Quinlan Acting Secretary Surface Transportation Board 395 E Street, SW Washington, DC 20423

VIA ELECTRONIC FILING

Re: STB Finance Docket No. 35141
U S Rail Corporation – Construction and Operation Exemption –
Brookhaven Rail Terminal

Dear Ms. Quinlan,

Please accept this joint status report from Petitioner U.S. Rail Corporation ("U.S. Rail") and Respondent Town of Brookhaven ("Town") in the above captioned proceeding. We are furnishing this status report pursuant to the Board's June 12, 2009 Decision.

US Rail is currently engaged in negotiations with the Town Attorney. The parties are actively working on a draft stipulation resolving all open issues between them. The Town will be discussing the status of negotiations, including the draft stipulation, at the executive session portion of its Town Board meeting on July 7, 2009.

We shall continue to keep the Board advised.

Respectfully submitted, John D. Heffner, PLLC

By: James H. M. Savage

Of Counsel

Attorneys for Petitioner US Rail Corp.

Respectfully submitted,

Mark A. Cuthbertson

By: Jessics P. Driscoll

Attorneys for Respondent Town of Brookhaven

JHS/mhd

cc: Jessica Driscoll, Esq. Robert A. Ryback

CERTIFICATION OF SERVICE

I, James H. M. Savage, an attorney-at-law of the District of Columbia. certify that I have served this day by electronic mail a true copy of the within pleading upon counsel for the Town of Brookhaven and by first class mail upon the New York State Department of Transportation.

Dated: July 1, 2009

SERVICE LIST

Party of Record: Town of

Brookhaven

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Party of Record: New York

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